

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7389**

**BILL NUMBER:** HB 1439

**NOTE PREPARED:** Jan 10, 2011

**BILL AMENDED:**

**SUBJECT:** Volunteer Fire Department Fees.

**FIRST AUTHOR:** Rep. Borders

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** *Fee Limit:* This bill provides that the total fees charged by a volunteer fire department for services provided as part of a single incident may not exceed \$500. It limits the total administrative fees charged by an agent of a volunteer fire department to 7% of the bill that the agent is processing.

*Penalty:* It provides that an agent that: (1) charges administrative fees that exceed 7% of a bill; (2) charges an unauthorized or excessive fee for volunteer fire department services; or (3) fails to send volunteer fire department bills to appropriate parties; commits a Class C misdemeanor.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Fee Limit:* Under current law, the maximum fee a volunteer fire department may charge for the services it provides is set by the state fire marshal. The fire department may use an agent to collect fees with the customer paying a service charge. This bill sets the maximum fee for a single service call at \$500, and the maximum service charge at 7 percent.

Assuming that number of service calls remain fairly constant, under this provision volunteer fire departments would collect less revenue if the maximum fee and service charges are lower than the current maximum set

by the state fire marshal.

*Penalty:* Under this bill, an agent who overcharges a customer or fails to send bills to customers commits a Class C misdemeanor punishable by up to sixty days confinement and up to a \$500 fine.

**State Agencies Affected:**

**Local Agencies Affected:** Volunteer Fire Departments.

**Information Sources:**

**Fiscal Analyst:** David Lusan, 317-232-9592